



STATE OF DELAWARE
OFFICE OF AUDITOR OF ACCOUNTS

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PRESS RELEASE

School Fund Local Tax Receipt and Debt Service Engagement

DOVER – State Auditor R. Thomas Wagner, Jr. is pleased to release the annual engagement of School District Local Funds Tax Receipt and Debt Service for the Year Ended June 30, 2010. The engagement reviewed each of Delaware's 19 School Districts to ensure they received their share of tax receipts and examined debt service activity.

The amounts per school district are as follows:

School District	Tax Receipts	Debt Service Expenditures	June 30, 2010 Debt Service Reserve Fund Balance
Appoquinimink	\$ 25,552,045	\$ 5,841,072	\$ 3,279,051
Brandywine	49,272,952	8,162,648	3,675,875
Caesar Rodney	8,715,498	1,458,206	529,665
Cape Henlopen	24,981,658	3,817,434	4,244,852
Capital	17,711,836	3,024,488	1,032,954
Christina	69,219,712	9,006,610	4,596,801
Colonial	32,088,045	5,685,423	3,733,596
Delmar	1,450,505	365,973	208,653
Indian River	32,006,817	4,907,917	2,358,003
Lake Forest	4,990,136	586,597	371,946
Laurel	2,910,473	149,689	77,086
Milford	7,334,272	1,531,956	1,070,715
NCC Vo-Tech	25,133,555	1,532,107	940,901
Polytech	4,029,163	241,630	143,167
Red Clay	69,776,772	7,851,836	3,987,470
Seaford	6,391,852	720,466	332,749
Smyrna	7,178,630	2,047,981	2,437,676
Sussex Technical	7,761,968	739,003	314,564
Woodbridge	4,097,305	565,721	186,958
Totals	\$ 400,603,193	\$ 58,236,756	\$ 33,522,681



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The procedures identified one repeat finding from the prior year. Cape Henlopen School District's debt service reserve balance exceeded the recommended amount by \$149,655.

In response to this finding, Cape Henlopen School District said, "The District will continue to lower the Debt Service Tax Rate on an incremental basis to meet the debt service needs and to maintain an appropriate balance. It is in the best interest of our tax payers to lower the rate incrementally rather than a large one-time reduction to reduce the balance. The incremental approach will avoid having to increase the tax rate in subsequent years, as a result of a one-time large reduction of the rate."

We confirmed that Cape Henlopen School District managed to decrease its debt service reserve balance by 16 percent, in part due to decreasing its debt service tax rate thus making a good effort towards resolving the finding.

A complete copy of the report can be found at: [Local School District Funds, Tax Receipt, Debt Service Expenditures, & Debt Service Reserve Fund Balance Agreed-Upon Procedures Report - Year Ended June 30, 2010](#)

For more information, please contact Kathleen O'Donnell, CPA-PA, CISA, CGFM, CGAP, Chief Administrative Auditor, at 302-857-3919 or Kathleen.Odonnell@state.de.us.